

## EMPLOYEE RETENTION STRATEGIES IN FOOD PROCESSING INDUSTRY

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### ABSTRACT

*Organisations invest lot of time and money in recruiting and hiring the right talent. Employee Retention is an essential and ongoing effort. One of the most important challenges is placing the managers accordingly, understanding it's their responsibility to associate in a working environment with their colleagues. Staffs need reinforcement, direction and recognition to grow and remain satisfied in their positions. Managers should acknowledge this and their objective is to support, nurture and motivate their employees. This study states the need for employee retention, methods and benefits of employee retention in the food processing industry.*

**KEYWORDS:** Employee Retention, Food Processing Industry, Organisation & Managers

**Received:** Oct 21, 2019; **Accepted:** Nov 11, 2019; **Published:** Jan 21, 2020; **Paper Id.:** IJHRMFEB20207

## INTRODUCTION

Food Processing Industry's contribution to the Indian economic growth is extensive. This industry is called a 'Sunrise Sector'. Some of the key players in India's food processing industry are Glaxo-SmithKline (GSK), Mapro Foods, Dabur, Parle, Nestlé, Frito-Lay, and Haldiram. When an employee leaves the organisation, it cost the company's time, money, and other resources. Understanding the need and making an effort to retain the employees is the current essential part of the business today.

## LITERATURE REVIEW

- Pemberton-Jones 2015, in his article Importance of Developing Strategies for Employee Retention suggested that it is mandatory to follow the four strategies for retention of employees. The primary aspect is effective communication; secondly workforce diversity, third being hiring of skilled worker and training and development plan to employees.
- Sinha and Sinha, 2012, Factors affecting employee retention: A comparative analysis of two organizations from heavy engineering industry, studies estimate that making existing employee stay costs less than hiring new employees.
- Kaliprasad (2006), the human factor I: attracting, retaining, and motivating capable people. Cost Engineering pointed out that an organizations ability to retain its employees completely depends upon its ability to manage them.

### Need for the Study

The growth and development of any food processing industry depends largely on the workers, the employees are considered as the backbone of any company. The study is essential to identify the level of employee's attitude, the dissatisfaction factors faced by the employees in the organization and the reasons for job change by them.

The need for this study is to analyse the factors to retain the employees with regards to salary, superior – subordinate relationship, growth opportunities, facilities, policies and procedures, recognition, appreciation, suggestions, co-workers by which it helps to know the retention level in the organizations.

### OBJECTIVES OF THE STUDY

- To make an investigation into the employee retention strategies in food processing industry followed by the managers
- To analyse relationship between the demographic profile and the retention strategies
- To recommend policies and suggestions based on the study.

### RESEARCH METHODOLOGY

The study is based on primary data collected through Questionnaire. Sample size is 70 and data has been collected through random sampling technique from the respondents of food processing industries in Chennai city. The analysis is done through SPSS Package.

### POPULATION SURVEYED

The below data is collected with a sample size of 70 respondents for each factor as age, gender, education, income, designation of managers from the Food Processing Industry.

**Table 1: Demographic Profile of the Respondents**

| FACTORS     | CLASSIFICATION    | FREQUENCY | PERCENTAGE |
|-------------|-------------------|-----------|------------|
| AGE         | 30 yrs– 40 yrs    | 30        | 43         |
|             | 41yrs- 50 yrs     | 26        | 37         |
|             | 51yrs – 60 yrs    | 13        | 19         |
|             | Above 60 yrs      | 1         | 1          |
|             | Total             | 70        | 100        |
| GENDER      | Male              | 47        | 67         |
|             | Female            | 23        | 33         |
|             | Total             | 70        | 100        |
| EDUCATION   | Undergraduate     | 22        | 31         |
|             | Postgraduate      | 25        | 36         |
|             | Professionals     | 14        | 20         |
|             | Other             | 9         | 13         |
|             | Total             | 70        | 100        |
| INCOME      | 25000 - 40000     | 28        | 40         |
|             | 41000 – 55000     | 22        | 31         |
|             | 56000 – 70000     | 14        | 20         |
|             | Above 70000       | 6         | 9          |
|             | Total             | 70        | 100        |
| DESIGNATION | Assistant Manager | 29        | 42         |
|             | Deputy Manager    | 24        | 34         |
|             | Manager           | 17        | 24         |
|             | Total             | 70        | 100        |

From the above Table 1 - demographic factors it is found out that with regard to age, the maximum number is 30 between the age of 30 – 40 yrs, and the least being above 60 yrs. Male respondents are more in numbers of 47 when compared to Women 23. The highest number of respondents in education factor is Post Graduates of 25. The income of respondents within the range of 25000 to 40000 is higher in numbers 28 and few getting above 60000. With regard to designation Assistant Managers are highest of 29 numbers and 17 working as Managers.

There is no significant difference among age category and employee retention strategies followed by the manager.

**Table 2: Age and Retention Strategies Hypothesis**

|                   |                             |                | Sum of Squares | Df | Mean Square | F     | Sig.  |
|-------------------|-----------------------------|----------------|----------------|----|-------------|-------|-------|
| Monetary Benefits | Salary & Other Benefits     | Between Groups | 3.574          | 3  | 1.191       | 1.195 | .319  |
|                   |                             | Within Groups  | 65.798         | 66 | .997        |       |       |
|                   |                             | Total          | 69.371         | 69 |             |       |       |
|                   | Performance Bonus           | Between Groups | 1.826          | 3  | .609        | .510  | .677  |
|                   |                             | Within Groups  | 78.759         | 66 | 1.193       |       |       |
|                   |                             | Total          | 80.586         | 69 |             |       |       |
|                   | Increment                   | Between Groups | 2.656          | 3  | .885        | .815  | .490  |
|                   |                             | Within Groups  | 71.687         | 66 | 1.086       |       |       |
|                   |                             | Total          | 74.343         | 69 |             |       |       |
| Span of Control   | Supervision                 | Between Groups | 5.903          | 3  | 1.968       | 1.723 | .171  |
|                   |                             | Within Groups  | 75.369         | 66 | 1.142       |       |       |
|                   |                             | Total          | 81.271         | 69 |             |       |       |
|                   | Encouragement               | Between Groups | 4.490          | 3  | 1.497       | .864  | .464  |
|                   |                             | Within Groups  | 114.381        | 66 | 1.733       |       |       |
|                   |                             | Total          | 118.871        | 69 |             |       |       |
|                   | Supervisor Effort in Work   | Between Groups | 10.027         | 3  | 3.342       | 3.178 | .030* |
|                   |                             | Within Groups  | 69.416         | 66 | 1.052       |       |       |
|                   |                             | Total          | 79.443         | 69 |             |       |       |
| Career Growth     | Promotional Strategies      | Between Groups | 10.844         | 3  | 3.615       | 2.642 | .057  |
|                   |                             | Within Groups  | 90.299         | 66 | 1.368       |       |       |
|                   |                             | Total          | 101.143        | 69 |             |       |       |
|                   | Training                    | Between Groups | 2.130          | 3  | .710        | .712  | .548  |
|                   |                             | Within Groups  | 65.813         | 66 | .997        |       |       |
|                   |                             | Total          | 67.943         | 69 |             |       |       |
|                   | Recognition                 | Between Groups | 3.601          | 3  | 1.200       | .913  | .439  |
|                   |                             | Within Groups  | 86.742         | 66 | 1.314       |       |       |
|                   |                             | Total          | 90.343         | 69 |             |       |       |
| Employee Welfare  | Infrastructure Facilities   | Between Groups | 8.069          | 3  | 2.690       | 2.052 | .115  |
|                   |                             | Within Groups  | 86.517         | 66 | 1.311       |       |       |
|                   |                             | Total          | 94.586         | 69 |             |       |       |
|                   | Safety & Security Measures  | Between Groups | 3.823          | 3  | 1.274       | 1.235 | .304  |
|                   |                             | Within Groups  | 68.120         | 66 | 1.032       |       |       |
|                   |                             | Total          | 71.943         | 69 |             |       |       |
|                   | Physical Working Conditions | Between Groups | 1.295          | 3  | .432        | .491  | .690  |
|                   |                             | Within Groups  | 57.977         | 66 | .878        |       |       |
|                   |                             | Total          | 59.271         | 69 |             |       |       |

\*Sig. at 5% level

It can be seen from the above table 2 with respect to age factor, as far as the monetary benefits are concerned its three variables, the span of control has its two variables supervision and encouragement, career growth and employee welfare encouragement having the p value more than 0.05 and hence null hypothesis is accepted. From the above table it can be concluded that there is no significant difference among the age and employee retention strategies except supervisor

effort in work. So it is proved that based on the age category of managers, it can be seen that they adapt same strategies to retain the employees in the organization irrespective of their age category.

There is no significant difference among designation and employee retention strategies followed by the manager

**Table 3: Designation and Retention Strategies Hypothesis**

|                   |                             |                | Sum of Squares | df | Mean Square | F     | Sig. |
|-------------------|-----------------------------|----------------|----------------|----|-------------|-------|------|
| Monetary Benefits | Salary & Other Benefits     | Between Groups | 1.876          | 3  | .625        | .611  | .610 |
|                   |                             | Within Groups  | 67.496         | 66 | 1.023       |       |      |
|                   |                             | Total          | 69.371         | 69 |             |       |      |
|                   | Performance Bonus           | Between Groups | 1.500          | 3  | .500        | .417  | .741 |
|                   |                             | Within Groups  | 79.086         | 66 | 1.198       |       |      |
|                   |                             | Total          | 80.586         | 69 |             |       |      |
|                   | Increment                   | Between Groups | 1.744          | 3  | .581        | .529  | .664 |
|                   |                             | Within Groups  | 72.598         | 66 | 1.100       |       |      |
|                   |                             | Total          | 74.343         | 69 |             |       |      |
| Span of Control   | Supervision                 | Between Groups | 5.442          | 3  | 1.814       | 1.579 | .203 |
|                   |                             | Within Groups  | 75.829         | 66 | 1.149       |       |      |
|                   |                             | Total          | 81.271         | 69 |             |       |      |
|                   | Encouragement               | Between Groups | 3.485          | 3  | 1.162       | .665  | .577 |
|                   |                             | Within Groups  | 115.386        | 66 | 1.748       |       |      |
|                   |                             | Total          | 118.871        | 69 |             |       |      |
|                   | Supervisor Effort in Work   | Between Groups | 1.903          | 3  | .634        | .540  | .657 |
|                   |                             | Within Groups  | 77.540         | 66 | 1.175       |       |      |
|                   |                             | Total          | 79.443         | 69 |             |       |      |
| Career Growth     | Promotional Strategies      | Between Groups | 5.148          | 3  | 1.716       | 1.417 | .246 |
|                   |                             | Within Groups  | 79.938         | 66 | 1.211       |       |      |
|                   |                             | Total          | 85.086         | 69 |             |       |      |
|                   | Training                    | Between Groups | 3.664          | 3  | 1.221       | .827  | .484 |
|                   |                             | Within Groups  | 97.478         | 66 | 1.477       |       |      |
|                   |                             | Total          | 101.143        | 69 |             |       |      |
|                   | Recognition                 | Between Groups | 2.244          | 3  | .748        | .662  | .578 |
|                   |                             | Within Groups  | 74.556         | 66 | 1.130       |       |      |
|                   |                             | Total          | 76.800         | 69 |             |       |      |
| Employee Welfare  | Infrastructure Facilities   | Between Groups | 7.019          | 3  | 2.340       | 1.763 | .163 |
|                   |                             | Within Groups  | 87.566         | 66 | 1.327       |       |      |
|                   |                             | Total          | 94.586         | 69 |             |       |      |
|                   | Safety & Security Measures  | Between Groups | 2.090          | 3  | .697        | .658  | .581 |
|                   |                             | Within Groups  | 69.853         | 66 | 1.058       |       |      |
|                   |                             | Total          | 71.943         | 69 |             |       |      |
|                   | Physical Working Conditions | Between Groups | 1.665          | 3  | .555        | .636  | .594 |
|                   |                             | Within Groups  | 57.606         | 66 | .873        |       |      |
|                   |                             | Total          | 59.271         | 69 |             |       |      |

From the above table with respect to designation factor it is observed that all the strategies with regard to monetary benefits, span of control, career growth, employee welfare infrastructure facilities are having the p value more than 0.05 and hence null hypothesis is accepted. It can be concluded that there is no significant difference among the designation and employee retention strategies. So it is proved that managers based on the designation category adapt same strategies except supervisor effort in work to retain the employees in the organisation.

There is no significant difference among education and employee retention strategies.

**Table 4: Education and Retention Strategies Hypothesis**

|                   |                             |                | Sum of Squares | Df | Mean Square | F     | Sig.  |
|-------------------|-----------------------------|----------------|----------------|----|-------------|-------|-------|
| Monetary Benefits | Salary & Other Benefits     | Between Groups | 2.400          | 3  | .800        | .789  | .505  |
|                   |                             | Within Groups  | 66.971         | 66 | 1.015       |       |       |
|                   |                             | Total          | 69.371         | 69 |             |       |       |
|                   | Performance Bonus           | Between Groups | 1.604          | 3  | .535        | .447  | .720  |
|                   |                             | Within Groups  | 78.982         | 66 | 1.197       |       |       |
|                   |                             | Total          | 80.586         | 69 |             |       |       |
|                   | Increment                   | Between Groups | 6.558          | 3  | 2.186       | 2.128 | .105  |
|                   |                             | Within Groups  | 67.785         | 66 | 1.027       |       |       |
|                   |                             | Total          | 74.343         | 69 |             |       |       |
| Span of Control   | Supervision                 | Between Groups | 2.874          | 3  | .958        | .807  | .495  |
|                   |                             | Within Groups  | 78.397         | 66 | 1.188       |       |       |
|                   |                             | Total          | 81.271         | 69 |             |       |       |
|                   | Encouragement               | Between Groups | 4.280          | 3  | 1.427       | .822  | .487  |
|                   |                             | Within Groups  | 114.592        | 66 | 1.736       |       |       |
|                   |                             | Total          | 118.871        | 69 |             |       |       |
|                   | Supervisor Effort in Work   | Between Groups | .717           | 3  | .239        | .200  | .896  |
|                   |                             | Within Groups  | 78.726         | 66 | 1.193       |       |       |
|                   |                             | Total          | 79.443         | 69 |             |       |       |
| Career Growth     | Promotional Strategies      | Between Groups | 10.765         | 3  | 3.588       | 3.186 | .029* |
|                   |                             | Within Groups  | 74.321         | 66 | 1.126       |       |       |
|                   |                             | Total          | 85.086         | 69 |             |       |       |
|                   | Training                    | Between Groups | 4.417          | 3  | 1.472       | 1.005 | .396  |
|                   |                             | Within Groups  | 96.726         | 66 | 1.466       |       |       |
|                   |                             | Total          | 101.143        | 69 |             |       |       |
|                   | Recognition                 | Between Groups | 8.830          | 3  | 2.943       | 2.858 | .044* |
|                   |                             | Within Groups  | 67.970         | 66 | 1.030       |       |       |
|                   |                             | Total          | 76.800         | 69 |             |       |       |
| Employee Welfare  | Infrastructure Facilities   | Between Groups | 3.033          | 3  | 1.011       | .729  | .538  |
|                   |                             | Within Groups  | 91.552         | 66 | 1.387       |       |       |
|                   |                             | Total          | 94.586         | 69 |             |       |       |
|                   | Safety & Security Measures  | Between Groups | 2.933          | 3  | .978        | .935  | .429  |
|                   |                             | Within Groups  | 69.010         | 66 | 1.046       |       |       |
|                   |                             | Total          | 71.943         | 69 |             |       |       |
|                   | Physical Working Conditions | Between Groups | .787           | 3  | .262        | .296  | .828  |
|                   |                             | Within Groups  | 58.484         | 66 | .886        |       |       |
|                   |                             | Total          | 59.271         | 69 |             |       |       |

\*Sig. at 5% level

There is no significant difference among the demographic profile and the employee retention strategies followed by the manager. From the above table with respect to education factor it is observed that the three variables of monetary benefits, Span of control and employee welfare are having the p value more than 0.05 and hence null hypothesis is accepted. It can be concluded that there is no significant difference among the education and employee retention strategies except promotion strategies and recognition having an association with education. So it is proved that based on the education category, managers adapt same strategies to retain the employees in the organisation.

## FINDINGS AND SUGGESTIONS

The demographic factors age, designation, education are having variables such as monetary benefits, span of control, career growth, employee welfare infrastructure facilities and from the above tables it is found out that the managers adapt same strategies to retain the employees in the organisation.

- This study suggests that to reduce attrition the organization should create some opportunities for the growth of their employees within by adopting new Innovative Technologies and Effective training programs.
- It is suggested that with regards that the organization can conduct a periodic interactive session between the different levels of working hierarchy, between the managers and employees for better understanding and thereby promoting organizational growth and development.
- The organization needs to focus on the factors that motivate employees and understand their queries with regards to work.
- The organization can provide training like Personality Development and Self – Improvement training sessions twice a year to the managers.

## CONCLUSIONS

The development of an organization comes when it retains its best employees in the face of competition, the findings of the study suggest that there are crucial in influencing the employees' decision to either to work or resign from the organization. It is only a comprehensive blend of intrinsic and extrinsic motivational variables that can enhance retention and reduce the high rate of employee turnover in an organisation.

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